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HOUSE BILL 415

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Janice E. Arnold-Jones

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX CREDIT FOR
SMALL NEW MEXICO BUSINESSES THAT REMAIN IN BUSINESS FOR MORE
THAN FIVE YEARS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SMALL BUSINESS TAX CREDIT--GROSS RECEIPTS.--

A. A taxpayer who is the owner of a small business that has been in business in New Mexico for five years or more may apply for, and the taxation and revenue department may allow, a tax credit pursuant to this section. The credit provided in this section may be referred to as the "small business tax credit".

B. The small business tax credit may be claimed and allowed in an amount equal to:

(1) for a business that has been operating in

1 New Mexico and paying gross receipts taxes for at least five
2 years, one-fourth of one percent of the gross receipts taxes
3 due to the state from the taxpayer in the taxable period;

4 (2) for a business that has been operating in
5 New Mexico and paying gross receipts taxes for at least ten
6 years, one-half of one percent of the gross receipts taxes due
7 to the state from the taxpayer in the taxable period;

8 (3) for a business that has been operating in
9 New Mexico and paying gross receipts taxes for at least fifteen
10 years, three-fourths of one percent of the gross receipts taxes
11 due to the state from the taxpayer in the taxable period; and

12 (4) for a business that has been operating in
13 New Mexico and paying gross receipts taxes for at least twenty
14 years, one percent of the gross receipts taxes due to the state
15 from the taxpayer in the taxable period.

16 C. To receive a small business tax credit with
17 respect to any qualifying period, an eligible employer shall
18 apply to the taxation and revenue department on forms and in
19 the manner prescribed by the department.

20 D. The application shall include a certification of
21 the:

22 (1) number of years that the business has
23 operated in New Mexico and has paid gross receipts taxes; and

24 (2) the maximum number of employees employed
25 by the business in the calendar year preceding the reporting

underscoring material = new
~~[bracketed material]~~ = delete

1 period and the number of employees employed during the
2 reporting period.

3 E. The credit provided in this section may be
4 deducted from the gross receipts tax liability of a taxpayer.

5 F. As used in this section, "small business" means
6 a for-profit enterprise that employs fewer than fifty employees
7 at any time during the calendar year and that has continuously
8 been located, operating and paying gross receipts tax in New
9 Mexico for the number of years reported by the taxpayer.